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WENDELL PRIMUS
STAFF DIRECTOR

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**UNEMPLOYED ARE MORE LIKELY TO EXHAUST FEDERAL
EXTENDED UI BENEFITS NOW THAN AFTER THE LAST RECESSION**

Dear Colleague:

I want to call your attention to the attached chart, prepared by the Joint Economic Committee (JEC) Democrats, showing that during the current jobless recovery a much larger number and percentage of workers are exhausting their federal Temporary Extended Unemployment Compensation (TEUC) benefits before finding work than was the case following the 1990-91 recession.

The number of workers who are exhausting all of their temporary federal UI benefits before finding work is a key indicator of whether the number of weeks of TEUC benefits is adequate. Since the current program began in March 2002, 69 percent of temporary federal UI recipients – representing more than 4 million people – have exhausted those benefits before finding work. In the last recession, 51 percent of temporary federal UI recipients – or just over 3 million people – exhausted their benefits before finding work over a similar time period.

Many more workers made the transition from UI check to paycheck during the last recession. The difference in generosity of the two programs – typically 13 weeks now versus 20 weeks in the last recession – is the main reason why a million more unemployed workers have exhausted their federal UI benefits before finding a job under the current program.

H.R. 3244, introduced by Reps. Charles Rangel (D-NY) and Benjamin Cardin (D-MD), would provide an additional 13 weeks of benefits to TEUC exhaustees who are still out of work. This legislation, which both extends and strengthens temporary federal UI benefits, should be adopted by Congress.

Please take the time to view the chart and to understand why the case for strengthening temporary federal UI benefits is clear. All of the JEC Democrats' "Economic Points-of-Interest Charts" (E-PICs) can be viewed at <<http://jec.senate.gov/democrats>>. These charts are downloadable for use on the floor or in newsletters.

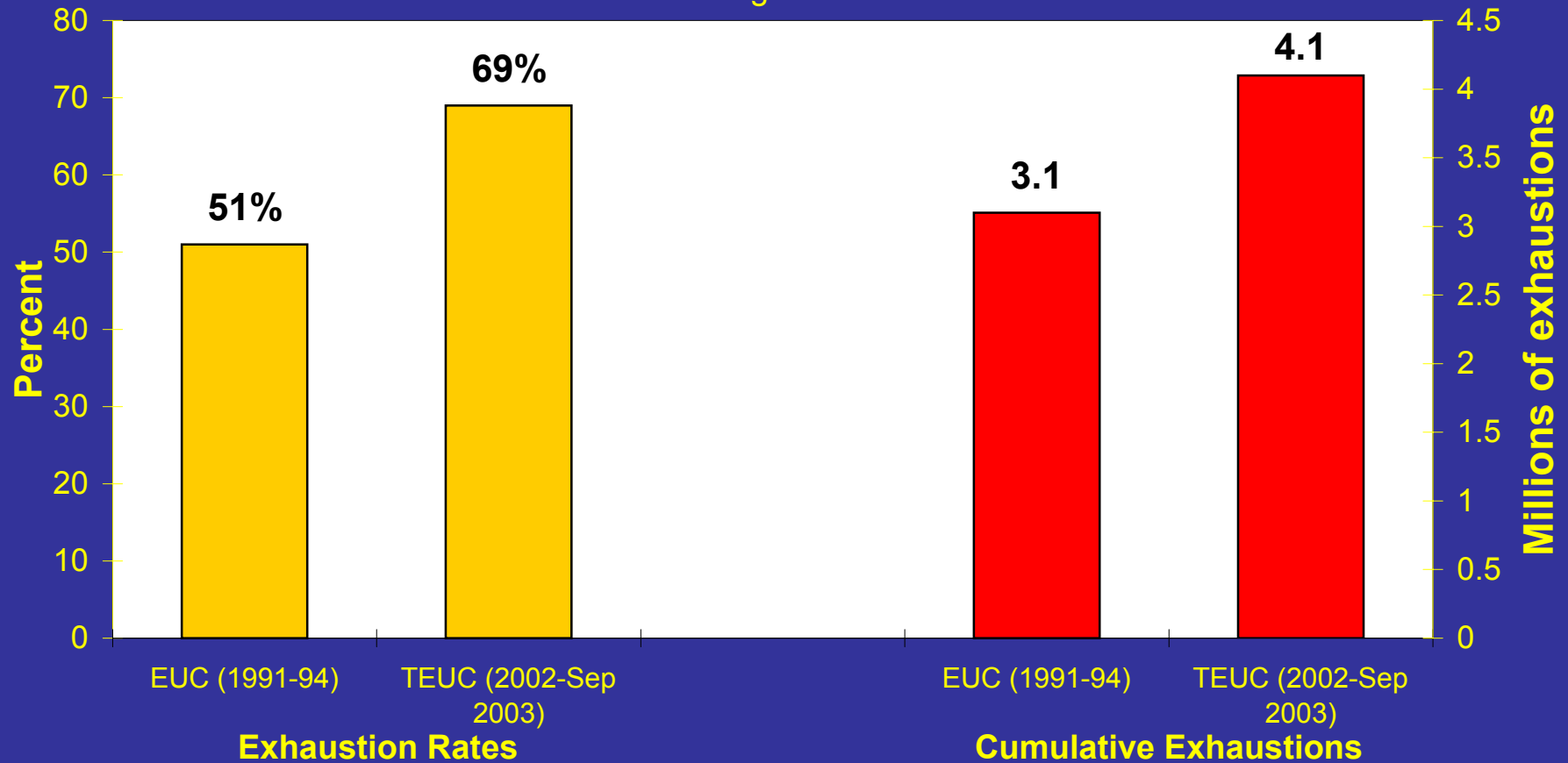
If you have questions about this E-PIC, please talk to me or have your staff contact JEC staff director Wendell Primus at 202-224-0372 or e-mail him at <Wendell_Primus@jec.senate.gov>.

Sincerely,

Pete Stark

Unemployed Are More Likely to Exhaust Federal Extended UI Benefits Now Than Was the Case After the Last Recession

Percentage and Number of Federal Benefit Recipients Exhausting Federal Benefits Without Finding a Job



Notes: Emergency Unemployment Compensation (EUC) was in effect from 11/17/91 to 2/5/94. Temporary Extended Unemployment Compensation (TEUC) began 3/9/02 and is scheduled to end 12/31/03. Exhaustion rates are compared at comparable points after each recession. Cumulative exhaustions in EUC are adjusted for the size of the labor force.

Source: Joint Economic Committee Democrats analysis using data from the Bureau of Labor Statistics.